



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS

P.O. Box 41200 • Olympia, Washington 98504-1200
Telephone (360) 902-8700 • TDD (360) 664-8126 • FAX (360) 586-5068 • <http://www.dfi.wa.gov>

July 3, 2006

Re: Preproposal Statement of Inquiry – Credit Union

Dear Stakeholder:

The Department of Financial Institutions (“Department”) has been approached by several credit union executives and the Credit Union League to inquire about whether the Department would allow credit unions in this state to be insured by a private insurer. RCW 31.12.408 allows credit unions to be insured under an insurance program that is equivalent to the federal share insurance program. An equivalent share insurance program is defined as one that (a) holds reserves proportionally equal to the federal share insurance program, (b) maintains adequate reserves and access to additional sources of funds through replenishment features, reinsurance, or other sources of funds, and (c) has share insurance contracts that reflect a national geographic diversity.

As part of the statutory process under RCW 31.12.408, the Director must hold a public hearing and make a finding that the alternative share insurance meets the standards set forth above. His findings must then be reported to the appropriate House and Senate committees.

As a first step in this process, the Department has filed the attached CR-101 to notify all interested parties that it intends to begin the process of defining the terms above, setting forth the requirements for credit unions that want to insure privately, and identifying the requirements for the private share insurer. Interested parties can participate in this rulemaking process by contacting me by phone at (360) 902-8778 or by e-mail at ljekel@dfi.wa.gov, or Deborah Bortner, Regulatory Counsel, by phone at (360) 902-0511 or e-mail at dbortner@dfi.wa.gov.

Sincerely,

A handwritten signature in black ink, reading "Linda Jekel".

Linda Jekel
Director of Credit Unions

cc. Scott Jarvis, Director